

## Message Text

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ACTION ARA-10

INFO OCT-01 PER-01 SS-15 SP-02 MMS-01 PM-03 L-02 EB-07

CU-02 INR-07 CIAE-00 DODE-00 ACDA-05 AGR-05 AID-05

COME-00 NSC-05 OMB-01 OPIC-03 PC-01 TRSE-00 USIE-00

SSO-00 NSCE-00 INRE-00 ISO-00 /076 W

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O 061050Z MAY 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 9036

S E C R E T SECTION 1 OF 4 BRASILIA 3472

E.O.11652: XGDS-3

TAGS: PFOR, BR

SUBJECT: OVERVIEW FOR THE CASP

1. THE THEME THAT UNDERLIES THIS YEAR'S CASP IS THE NEED FOR US, FIRST, TO RECOGNIZE THAT BRAZIL CONTINUES TO BE IN A PERIOD OF TRANSITION: AND, SECOND, TO DESIGN A STRATEGY THAT PROTECTS AND ADVANCES US INTERESTS IN THE CURRENT PAHSE OF THAT TRANSITION, AND THAT AT THE SAME TIME DOES NOT COMPROMISE THOSE INTERESTS IN THE LONGER RUN.

2. THE TRANSITION, WHICH BEGAN CONCEPTUALLY IN THE LATE FIFTIES AND GAINED ITS PRESENT IMPULSE IN THE 1967-1968 PERIOD, CAN PERHAPS BEST BE DEFINED BY DESCRIBING IN OUTLINE THE DIFFERENCES BETWEEN THE BRAZIL WHICH, ASSUMING ALL GOES WELL, WE WILL BE DEALING WITH IN THE FIRST HALF OF THE EIGHTIES AND THE BRAZIL WHICH THIS CASP ADDRESSES. IN THE 1980-1985 PERIOD, BRAZIL WILL HAVE, NO COMPLETELY BUT ESSENTIALLY, A DEVELOPED, RATHER THAN ITS PRESENT SEMI-DEVELOPED, ECONOMY: IT MAY BE CLOSE TO SELF-SUFFICIENT IN PETROLEUM INSTEAD OF BEING A MAJOR IMPORTER: IT WILL PROBABLY HAVE THE NUCLEAR EXPLOSIVE CAPABILITY THAT NOW IT ONLY IS BEGINNING TO SEEK: TO THE EXTENT THAT ANY COUNTRY COULD BE SAID TO BE INDEPENDENT IN THE INTERDEPENDENT WORLD OF THE EIGHTIES,

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BRAZIL WILL BE FREE OF THE RESTRAINTS THAT ITS CURRENT

SITUATION IMPOSES: IT WILL BE, IN SHORT, AMIDDLE POWER  
IN THE WORLD, WITH AMBITIONS FOR EVEN HIGHER, MAJOR-POWER  
STATUS, RATHER THAN THE SOMETIMES FUBLING BUT ALWAYS  
DETERMINED ASPIRANT IT NOW IS.

3. THIS POTENTIAL BRAZIL WILL REPRESENT THE ESSENTIAL  
REALIZATION OF THE GRANEZA THAT HAS BEEN THE BRAZILIAN  
NATIONAL GOAL SINCE THE REVOLUTION OF 1964. THERE CAN  
BE NO DOOUBT BUT THAT THE GEISEL ADMINISTRATION HAS DEMONSTRATED,  
IN ITS FIRST YEAR, UNQUALIFIED FIDELITY TO THE  
GOAL OF GRANDEZA. ITS PURSUIT OF ECONOMIC DEVELOPMENT AND  
NATIONAL SECURITY, THE INTERTWINED MEANS OF ACHIEVEMENT OF  
GRANDEZA, HAS BEEN AS DETERMINED AS THAT OF ITS PREDECESSORS,  
EVEN THOUGH ITS VISION OF WHAT CONSTITUTES TRUE  
DEVELOPMENT AND TRUE SECURITY IS MORE SOPHISTICATED,  
MORE ENCOMPASSING AND MORE SENSITIVE TO THE REQUIREMENTS  
OF AN INCREASINGLY COMPLEX SOCIETY THAN THEIRS WAS. MOREOVER,  
A COMBINATION OF INTERNAL AND EXTERNAL FACTORS HAS  
CREATED CONSTRAINTS ON THE PACE OF ECONOMIC DEVELOPMENT  
THAT WERE NOT PRESENT IN THE AQOYIAQOUE PERIOD OF THE REVOLUTION  
AND DELIBERATELY IGNORED AND SUPPRESSED IN THE LAST  
YEAR OF THE MEDICI GOVERNMENT. NEVERTHELESS, THE NATION'S  
GOAL CONTINUES TO BE AS VALID FOR THE GEISEL GOVERNMENT  
AS IT WAS FOR MEDICI'S. IT IS IN THE GEISEL PERIOD, HOWEVER,  
THAT THE ADVANCE TOWARD GRANDEZA IS INTENDED TO BE  
MADE IRREVERSIBLE AND SELF-SUSTAINING. THIS INTENTION, EXPLICITLY  
EXPRESSED IN THE SECOND NATIONAL DEVELOPMENT PLAN  
(II PND), GIVES SPECIAL IMPORTANCE TO THIS YEAR'S CASP,  
WHICH COVERS THE MIDDLE YEARS OF GEISEL'S TENURE.

4. WE DO NOT HAVE, IN THE FIELD OF BRAZILIAN FOREIGN POLICY,  
A GUIDE TO THE ACHIEVEMENT OF NATIONAL GREATNESS AS CLEAR  
AS THAT PROVIDED IN THE II PND. THERE ARE, HOWEVER, SIGNPOSTS  
IN THE FORM OF SLOGANS, WHICH ARE PARTIALLY CATCHWORDS  
BUT IN A VERY REAL SENSE ALS CONCEPTS GOVERNING THE  
CONDUCT OF BRAZIL'S EXTERNAL AFFAIRS. I REFER TO : "RESPONSIBLE  
PRAGMATISM", "ECUMENISM", "NO AUTOMATIC ALIGNMENTS",  
"UNSATELLIZING AND UNSATELLIZABLE BRAZIL", AND THE MOST  
RECENT, "HORIZONTAL INTERDEPENDENCE, YES: VERTICAL INTERDEPENDENCE,  
NO". SOME OF THESE APPLY TO POLITICAL CONCERNS,

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ALL OF THEM APPLY TO ECONOMIC CONCERNS . TRANSLATED INTO  
OPERATING GUIDELINES, THEY MEAN: (A) BRAZIL WILL NOT BE  
TAKEN FOR GRANTED: (B) BRAZIL WILL CONDUCT ITS FOREIGN  
RELATIONS ON THE BASIS OF STRICT, UNSENTIMENTAL ATTENTION  
TO ITS OWN NATIONAL INTERESTS: (C) BRAZIL WILL GUARD ITS  
FREEDOM OF ACTION JEALOUSLY: (D) A CARDINAL INTEREST IS  
THE REDISTRIBUTION OF WORLD ECONOMIC WEALTH AND POWER:  
(E) DEVELOPED COUNTRIES WILL RESIST THIS REDISTRIBUTION:

(F) ALLIANCE WITH THE LDC/THIRD WORLD GROUP ON ECONOMIC MATTERS PROVIDES EFFECTIVE LEVERAGE ON THE DC'S IN THE SHORT- AND MID-TERM: (G) PRAGMATISM, CONTINUING MID-TERM DEPENDENCE ON DC ECONOMIC GOOD-WILL, CONSERVATISM, AND EXPECTATION OF EVENTUAL GRADUATION INTO DE RANKS COUNSEL AGAINST OPEN CONFRONTATION WITH THE DC'S AND AGAINST ALIGNMENT WITH THE LDC'S/THIRD WORLD ON POLITICAL MATTERS: (H) DIVERSIFICATION OF SOURCES OF FINANCING IMPORTS AND TECHNOLOGY AND MARKETS FOR EXPORTS IS HIGHLY DESIRABLE IN POLITICAL AS WELL AS ECONOMIC TERMS: (I) THE CONCEPT OF INTERDEPENDENCE ADVANCED BY THE US HAS TO BE WATCHED CLOSELY LEST IT BE USED AS A DEVICE FOR FREEZING THE PRESENT WORLD ECONOMIC STRUCTURES TO THE DETRIMENT OF BRAZILIAN UPWARD MOBILITY: AND (J) NEVER TRUST A SUPERPOWER.

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 9037

S E C R E T SECTION 2 OF 4 BRASILIA 3472

5. THIS LISTING OF OPERATIONAL GUIDELINES, WHILE NOT EXHAUSTIVE, IS SUFFICIENT TO DEFINE THE PROBABLY ENVIRONMENT IN WHICH US INTERESTS CONCERNING BRAZIL WILL BE PURSUED DURING THE CASP PERIOD AND FOR A CONSIDERABLE TIME THEREAFTER. THAT ENVIRONMENT IS NOT AND WILL NOT BE SO HOSPITABLE AS WE WOULD LIKE IT TO BE. IT IS VERY FAR FROM BEING IMPOSSIBLE, HOWEVER. WE WILL CONTINUE TO BE VERY IMPORTANT TO BRAZIL ECONOMICALLY AND FINANCIALLY DURING THE ENTIRE PROCESS OF THE BRAZILIAN STRUGGLE FOR SELF-FULFILLMENT. AS THAT SELF-FULFILLMENT BECOMES MORE AND

MORE RELIABLE, OUR IMPORTANCE WILL DIMINISH BUT CERTAINLY FOR THE NEXT FIVE YEARS OUR ECONOMIC USEFULNESS WILL ATTENUATE--NOT REMOVE-- THE FACTORS OF CONFLICT.

6. ON THE POLITICAL SIDE, OUR SECURITY SHIELD AGAINST THE USSR WILL CONTINUE TO BE TAKEN FOR GRANTED (EVEN IN THE FACE OF DOUBTS ABOUT OUR WILL, FOR BRAZIL HAS NO ALTERNATIVE) AND WILL NOT PROVIDE US, FOR OBVIOUS REASONS OF OUR OWN SELF-INTEREST, ANY KIND OF APPRECIABLE LEVERAGE, BUT IT WILL RETAIN A SYMBOLIC, POSITIVE EFFECT. ON PURELY POLITICAL EAST-WEST ISSUES, BRAZIL'S CONSERVATISM WILL KEEP IT, FOR THE NEXT TWO TO FIVE YEARS, ON OUR SIDE.

7. I AM TEMPTED TO SAY THAT IS IN THE ECONOMIC  
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SPHERE, THEN, THAT OUR INTERESTS WILL BE CHALLENGED AND OUR OPPORTUNITIES WILL ARISE. ALTHOUGH THAT JUDGMENT IS, I BELIEVE, BASICALLY CORRECT, I MUST CALL ATTENTION TO THE HIGHLY POLITICAL CONTENT OF THE NUCLEAR PROLIFERATION QUESTION ADDRESSED FITTINGLY (BUT PERHAPS WISTFULLY, IN LIGHT OF VERY RECENT DEVELOPMENTS) AS ISSUE 1 OF THIS YEAR'S CASP. I AM NOT AT ALL SURE RIGHT NOW ABOUT THE REALISM OF THE RECOMMENDED RESOLUTION OF THE ISSUE IN TERMS OF PROTECTING OUR ECONOMIC PROPERITY INTEREST, BUT I AM SURE THAT THE POLITICAL EFFECTS OF BRAZIL'S SEARCH FOR THE FULL NUCLEAR CAPABILITY--TO IT, THE QUINTESSENCE, PERHAPS, OF INDEPENDENT POWER AS WELL AS PROTECTION AGAINST AN ARGENTINE THREAT-- WILL HOVER OVER OUR RELATIONSHIP FOR SEVERAL YEARS. HOW FAR WE ARE PREPARED TO GO IN RESTRAINING BRAZIL IS A MAJOR QUESTION, THE ANSWER TO WHICH LIES IN THE REALM OF HIGH WASHINGTON POLICY. SOME PROPOSALS ARE OFFERED IN THE CASP.

8. IMPORTANT THOUGH THE POLITICAL ISSUES DISCUSSED ABOVE ARE, IT IS IN THE ECONOMIC FIELD THAT THE FUNDAMENTAL TASK OF US POLICY IN THE CASP PERIOD AND WELL BEYOND IT WILL BE MOST CLEARLY DELINEATED. IF WE ARE RIGHT WHEN WE SAY IN INTERESTS ANALYSIS AND ISSUES SECTIONS THAT THE CHALLENGE TO POLICY IS TO MAKE BRAZIL'S EVOLVING ROLE IN THE WORLD AS COMPATIBLE AS POSSIBLE WITH OUR VISION OF THE WORLD AND THAT WE MUST ATTEMPT TO KEEP OUR INTERESTS AND THOSE OF BRAZIL AS CONVERGENT AS POSSIBLE IN THIS TRANSITION PERIOD, THEN THE PRINCIPAL TESTS WILL SURELY COME AND THE GREAT PROBLEMS OF INTERDEPENDENCE. THE TESTS WILL BE PARTICULARLY DIFFICULT BECAUSE, IN MY OPINION, BRAZIL AND THE UNITED STATES ARE IN BASIC CONFLICT. WE ARE NOT POLITICALLY OR PSYCHOLOGICALLY OR ECONOMICALLY PREPARED TO GIVE MORE THAN PALLIATIVE RESPONSES TO THE FUNDAMENTAL BRAZILIAN DEMAND FOR A REDISTRIBUTION OF ECONOMIC

WEALTH AND POWER. I BELIEVE THAT WE ACCEPT, EVEN WELCOME,  
THE PROSPECT OF BRAZIL AS AN AMERGING WORLD POWER: WE  
ACKNOWLEDGE INTELLECTUALLY THE NEED TO WORK TO MAKE BRAZIL  
A COOPERATIVE PARTNER ON THE WORLD SCENE: BUT WE HAVE  
GREAT TROUBLE WHEN WE FACE THE PRACTICAL CONSEQUENCEY OF  
BRAZIL'S DRIVE. WE MUST RECOGNIZE THAT, WHEN WE RECOIL  
FROM THOSE CONSEQUENCES OR HAVE TO OPPOSE THEM, WE ARE  
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JEOPARDIZING OUR PRESENT AND OUR FUTUE INTERESTS-- ALL  
OF THEM, NOT ONLY THE PURELY ECONOMIC ONES. THE FRAMING  
OF THE TWO ECONOMIC ISSUES IN THE CASP IS INTENDED TO  
IDENTIFY THE CURRENT EFFECTS OF THE NDERLYING CONFLICT AND  
TO PROPOSE WAYS TO AMELIORATE IT. THE RECOMMENDED RESOLUTUIONS  
ARE DESIGNED TO LIMIT DAMAGE, TO INJECT AS MUCH  
POSITIVE CONTENT INTO THE ELATIONSHIP AS POSSIBLE IN THE  
CASP PERIOD, AND TO AVOID PREJUDICE TO THE LONGER TERM PLAY  
OF OUR BROAD INTERESTS.

9. THE "MILITARY" ISSUE IN THE CASP IS RELATED TO THE  
PROTECTION AND ADVANCEMENT OF OUR BROAD INTERESTS IN THE  
TRANSITION PERIOD IN THE SENSE THAT OUR MILITARY PRESENCE  
IN BRAZIL AND THE PROGRAMS WE MAINTAIN WRE DESIGNED TO  
KEEP OPEN CANNELS TO THE INFLUENTIAL BRAZILIAN MILITARY,  
PRESERVE THEIR CURRENT BASICALLY FRIENDLY ORIENTATION AND  
TO IMPROVE OUR SALES POSITION. THE QUESTION OF WHAT  
CONTRIBUTION THE BRAZILIAN CAPABILITIES SUPPORTED BY OUR  
MILITARY PROGRAMS MAKE TO OUR OWN DEFENSE IS STILL OPEN,  
SO FAR AS I AM CONCERNED.

10. THE ISSUE OF THE OBSERVANCE OF HUMAN RIGHTS IN BRAZIL  
IS AS DIFFICULT TO ADDRESS AS IT IS IMPORTANT. THE RECOMMENDED  
RESOLUTION OF THEISSUE IN THE CASP SEEKS TO  
RECONCILE THE IMPORTANCE OF THE PROBLEM FOR US AND THE  
GREAT SENSITIVITIES IN OFFICIAL BRAZIL. IT IS A RSASONABLE  
FORMULA. THE KEY TO ANY EFFECTIVENESS N THIS DELICATE  
FIELD WILL BE THE STEADFAST READINESS OF SENIOR WASHINGTON  
AUTHORITIES TO SUPPORT RESPONSIBLE ACTIONS IN THE FIELD  
TAKEN IN RESPONSE TO STANDING INSTRUCTIONS AND TO ACCEPT  
THE SOMETIMES UNPLEASANT CONSEQUENCES ON OTHER INTERESTS.

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 9038

S E C R E T SECTION 3 OF 4 BRASILIA 3472

11. THE MAIN BODY OF THE CASP, PARTICULARLY THE ANALYSIS OF INTERESTS SECTION AND IN A MORE DETAILED WAY THE INSSUES SECTION, AND THE DISCUSSION IN THIS OVERVIEW INDICATE THE ELEMENTS OF THE BROAD STRATEGY THAT THE EMBASSY RECOMMENDS. THE STRATEGY IS BASED ON THE FIRM BELIEF THAT, IN TERMS OF OUR WORLD ORDER INTEREST, BRAZIL'S EMERGENCE AS A WORLD POWER GIVES IT UNIQUE IMPORTANCE FOR US IN LATIN AMERICA AND THE LESS-DEVELOPED WORLD IN GENERAL , AN IMPORTANCE THAT TRANSCENDS EVEN OUR VERY SUBSTANTIAL ECONOMIC STAKES (THE ECONOMIC PROSPERITY INTEREST), WHICH IN THEMSELVES SET BRAZIL APART FROM THE GREAT BULK OF THE LDC'S. THE PURPOSE OF THE STRATEGY IS TO INFLUENCE BRAZIL'S FORMATION AS A WORLD POWER SO THAT IT WILL BE A COOPERATIVE, WELL-DISPOSED NEW FORCE ON THW WORLD SCENE. AT THE SAME TIME, THE STRATEGY IS DESIGNED TO MEET ISSUES IN THE SHORT RUN (THE CASP PERIOD) IN SUCH A WAY AS TO SERVE, OR AT THE LEAST NOT TO PREJUDICE, THE LONG-TERM PURPOSE.

12. THE PRINCIPAL ELEMENTS OF THE STRATEGY ARE:

- WE SHOULD ACCEPT BRAZIL'S DRIVE FOR WORLD POWER STATUS AND IDENTIFY OURSELVES WITH IT.
  - WE SHOULD RECOGNIZE THAT BRAZIL WILL USE ITS LDC STATUS AS PRESSURE FOR AS LONG AS POSSIBLE. EXCEPT FOR BILATERAL DEVELOPMENT ASSISTANCE, WE CAN ACCEPT THAT
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SELF-DEFINITION THROUGH THE CASP PERIOD.

- WE SHOULD AVOID, HOWEVER, THE AUTOMATIC APPLICATION OF "STANDARD" LATIN AMERICAN OR LDC TREATMENT TO BRAZIL AND SHOULD ALWAYS KEEP IN MIND ITS UNIQUE ATTRIBUTES

AS AN EMERGING WORLD POWER.

- OUR RELATIONSHIP WITH BRAZIL SHOULD BE CONDUCTED ON THE BILATERAL PLANE TO THE GREATEST EXTENT POSSIBLE.

- WE SHOULD TAKE BRAZILIAN POSITIONS AND INTERESTS INTO CAREFUL ACCOUNT IN THE PREPARATION OF US POLICY ON MAJOR INTERNATIONAL ISSUES, AND WE SHOULD MAKE SPECIAL EFFORTS TO MAINTAIN A SERIOUS, FRANK AND DETAILED DIALOGUE WITH BRAZIL ON THOSE ISSUES.

- BECAUSE OF THE UNDERLYING CONFLICT BETWEEN BRAZILIAN ECONOMIC ASPIRATIONS AND DEMANDS AND OUR OWN CONSTRAINTS, OUR TAKING INTO ACCOUNT BRAZILIAN INTERESTS CANNOT MEAN

FULL ACCEPTANCE OF THEM. WE MUST BE PREPARED TO BE AS UNSENTIMENTAL IN THE PROTECTION OF OUR LEGITIMATE INTERESTS AS BRAZIL IS.

- WE SHOULD, BY WORD AND DEED, GET ACROSS TO BRAZIL THAT INCREASED INFLUENCE BRINGS WITH IT INCREASED RESPONSIBILITIES.

- WE SHOULD BE SCRUPULOUSLY CAREFUL, HOWEVER, TO SEEK, THROUGH DIALOGUE, ACCOMMODATION AND MITIGATION OF CONFLICTS WHENEVER POSSIBLE.

- WE SHOULD UNDERSTAND THAT A FAVORABLE CLIMATE FOR THE PURSUIT OF OUR ECONOMIC INTERESTS IS DIRECTLY LINKED TO THE DEGREE OF OUR ACCOMMODATION TO BRAZILIAN ECONOMIC INTERESTS.

- WE SHOULD GUARD AGAINST GIVING BRAZILIAN OPINIONS EXCESSIVE WEIGHT IN OUR DEALINGS WITH OTHER LATIN AMERICAN COUNTRIES.

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13. THE STRATEGY OUTLINED ABOVE IS BASED ON THE ASSUMPTION THAT CURRENT ECONOMIC AND POLITICAL CONDITIONS WILL CONTINUE THROUGH THE CASP PERIOD AND WELL BEYOND IT. THAT ASSUMPTION IS REASONABLE BUT NOT, OF COURSE, SOLID. WE DO EXPECT THIS YEAR AND PROBABLY NEXT YEAR AN APPRECIABLE DROP IN THE RATE OF ECONOMIC GROWTH SO THAT THE PERIOD IN WHICH BRAZIL CAN ACHIEVE A DEVELOPED ECONOMY WILL HAVE TO  
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BE STRETCHED OUT. SPECIFICALLY, I AM VERY DOUBTFUL THAT THE TARGETS FIXED IN THE II PND FOR FULFILLMENT IN 1980 CAN BE REACHED BY THAT DATE. (WE HAVE ACCOMMODATED THAT SLIPPAGE BY USING THE FIRST HALF OF THE EIGHTIES AS THE PERIOD IN WHICH BRAZIL'S ECONOMY WILL BE MORE OR LESS DEVELOPED.) NEVERTHELESS, WE ESTIMATE THAT THE BRAZILIAN ECONOMY HAS A CONSIDERABLY BETTER THAN EVEN CHANCE OF OVERCOMING CURRENT DIFFICULTIES.

14. THE POLITICAL SITUATION INSPIRES GREATER RESERVATIONS. THE DECOMPRESSION PROCESS HAS PRODUCED THE INEVITABLE

BACKLASH FROM CONSERVATIVE MILITARY SECTORS, WITH THE SECURITY APPARATUS MOST STRONGLY OPPOSED. PRESSURES ON PRESIDENT GEISEL HAVE BEEN QUITE HEAVY: AND, ALTHOUGH HE CONTINUES TO GIVE INDICATIONS OF A DETERMINATION TO STICK TO HIS BELIEF IN THE NECESSITY OF DECOMPRESSION, WE JUDGE THAT ITS FATE IS STILL HANGING.

15. IT IS TOO EARLY TO TELL HOW THE DEBATES NOW GOING ON WITHIN THE SYSTEM WILL TURN OUT, BUT THREE GROSS ALTERNATIVE COURSES CAN BE DISCERNED: (A) A CONTINUATION OF THE GRADUAL, CONTROLLED OPENING OF THE SYSTEM UNDER GEISEL'S CONTROL, WITH THE PRINCIPAL RISK TO THE REGIME BEING A VICTORY BY THE OPPOSITION MDB IN THE DIRECT GUBERNATORIAL AND CONGRESSIONAL ELECTIONS OF 1978: (B) A RETURN TO A REPRESSIVE POLICY BY GEISEL UNDER HARDLINE PRESSURE, OR, IN EXTREMIS, SUCH A RETURN FOLLOWING THE REMOVAL OF GEISEL BY MILITARY ELEMENTS FEARFUL OF THE EFFECTS OF DECOMPRESSION.

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 9039

S E C R E T SECTION 4 OF 4 BRASILIA 3472

SUCH A REGRESSION WHICH COULD OCCUR BETWEEN NOW AND THE MUNICIPAL ELECTIONS OF 1976, AFTER AN ARENA DEFEAT IN 1976, OR AFTER AN ARENA DEFEAT IN 1978, MIGHT BE ACCOMPANIED BY A MUCH

STRONGER NATIONALIST LINE, IF ONLY TO CARRY POPULAR SUPPORT. IN EITHER CASE, MY OWN BELIEF IS THAT SUCH A POLICY COULD HOLD FOR ONLY TWO-THREE YEARS,



WITH THE EVENTUAL CONSEQUENCE BEING A MARKEDLY UNSTABLE AND VOLATILE SITUATION: (C) THE TAKE-OVER OF GOVERNMENT AS A RESULT OF EITHER THE 1978 ELECTIONS OR THE UNSTABLE, POLARIZED SITUATION REFERRED TO IN (B), BY FORCES OPPOSED TO OR UNENTHUSIASTIC ABOUT THE REVOLUTION.

16. IN CASES (B) AND (C), THE BRAZILIAN DRIVE TO POWER STATUS WOULD PROBABLY BE SLOWED OR STOPPED. IN ADDITION, THE ECONOMIC AND MILITARY INTERESTS OF THE UNITED STATES, WHICH IN POPULAR OPINION HAS BEEN IDENTIFIED WITH THE REVOLUTION EVER SINCE 1964, WOULD BE SERIOUSLY AFFECTED BY NATIONALIST, LEFTIST BACKLASH. THESE LATTER TWO CONTINGENCIES DO NOT REPRESENT THE MOST LIKELY COURSE OF EVENTS AND, IN ANY CASE, THEY FALL PRINCIPALLY OUTSIDE THE TIME FRAME OF THE CASP. NONETHELESS, THEY ARE FAR FROM UNTHINKABLE. WE HAVE THEM DEFINITELY IN MIND IN  
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THE SENSE THAT WE ARE KEEPING OUR CURRENTLY VERY GOOD RELATIONS WITH THE OPPOSITION IN REPAIR AS PART OF AN EFFORT TO POSITION OURSELVES AGAINST A POSSIBLE MAJOR CHANGE IN THE POLITICAL ECONOMIC CLIMATE. IN THE ECONOMIC AND HUMAN RIGHTS ISSUES IN THE CASP, OUR RECOMMENDATIONS ALSO REFLECT THIS KIND OF CONCERN. BECAUSE OF OUR IDENTIFICATION WITH THE REVOLUTION, PARTICULARLY THE MASSIVE ECONOMIC SUPPORT PROVIDED IN THE 1964-1969 PERIOD AND THE UBIQUITOUSNESS OF OUR ECONOMIC PRESSURE, IT MUST BE RECOGNIZED, HOWEVER, THAT THE DIE HAS BEEN EFFECTIVELY CAST AND THAT, SHOULD THE NEGATIVE CONTINGENCIES COME TO PASS, OUR CURRENT EFFORTS WOULD HAVE LIMITED EFFECT. THERE ARE MANY POLICY REASONS FOR WISHING PRESIDENT GEISEL WELL IN HIS ADVOCACY OF DECOMPRESSION. THE ALTERNATIVES TO THE CONTINUATION OF THAT DELICATE PROCESS ONLY REINFORCE THOSE REASONS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CASP, FOREIGN ASSISTANCE PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BRASIL03472  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X3  
**Errors:** N/A  
**Film Number:** D750158-0278  
**From:** BRASILIA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750575/aaaacqgz.tel  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
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**Original Classification:** SECRET  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 9  
**Previous Channel Indicators:** n/a  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 SEP 2003 by WorrelSW>; APPROVED <01 DEC 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OVERVIEW FOR THE CASP  
**TAGS:** PFOR, BR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006